

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 217 (Senators Grosfeld and Gladden)
Judicial Proceedings

Family Law - Child Support Arrearage - Driver's License Suspensions

This bill makes it discretionary, rather than mandatory, for the Child Support Enforcement Administration (CSEA) to notify the Motor Vehicle Administration (MVA) of any obligor who is 60 days or more out of compliance with the most recent court order in making child support payments. CSEA is required to consider the individual circumstances of the obligor and the obligor's child in making a determination whether or not to notify the MVA. The circumstances that must be considered include: (1) whether suspension of the obligor's license or privilege to drive is in the best interest of the child; (2) if suspension would be an impediment to current or potential employment, whether the obligor has the present ability to pay child support to reinstate the driver's license or privilege; and (3) whether a suspension of the obligor's license or privilege to drive would pose an undue hardship due to the obligor's disability, inability to work, or inability to pay a sufficient amount of support to reinstate the license or privilege to drive.

Fiscal Summary

State Effect: Potential significant reduction in special fund revenues to the extent that the bill reduces collection of child support. The bill's requirements can be met with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Generally, CSEA is required to notify the MVA of any child support obligor who is 60 days or more out of compliance with the most recent court order requiring child support payments, if CSEA has accepted a support assignment or the recipient of support payments has filed an application for support enforcement services. Upon notification by CSEA, the MVA must suspend the obligor's license or privilege to drive in the State and may issue a work-restricted license or privilege.

Before supplying any information to the MVA, CSEA must send written notice of the proposed action to the obligor and inform the obligor of the right to contest the accuracy of the reported arrearage by requesting an investigation. CSEA must provide a reasonable opportunity for the obligor to contest the accuracy of the information. Upon receipt of a request for investigation, the MVA must notify the obligor of the investigation results and the obligor's right to appeal the results to the Office of Administrative Hearings (OAH). An appeal must be made in writing and be received by OAH within 20 days after notice to the obligor of the investigation results. If after investigation or an appeal to OAH, CSEA finds that its proposed action was in error, then CSEA is prohibited from sending any information about the obligor to the MVA.

In addition, CSEA may not send any information about an obligor to the MVA if CSEA reaches an agreement with the obligor regarding a scheduled payment of the obligor's arrearage or the court issues an order for a scheduled payment of the arrearage and the obligor is complying with the agreement or court order. If the obligor's arrearage was paid in full after information was supplied to the MVA, or the obligor has demonstrated good faith by paying an ordered amount for six consecutive months, CSEA must notify the MVA to reinstate the obligor's license or privilege to drive. The Secretary of Human Resources, in cooperation with the Secretary of Transportation and OAH, must adopt regulations for implementation of these provisions.

Background: All states and the District of Columbia have provisions that restrict an obligor's license or privilege to drive if he or she is delinquent in paying child support. Enactment of federal welfare reform in 1996 required all state child support enforcement programs to impose driver's license, as well as professional and occupational license restrictions, on obligors who have not paid child support in a timely manner. According to the Office of Child Support Enforcement in the U.S. Department of Health and Human Services, for all fiscal years since statistics have been collected, child support arrearages nationwide total about \$92.3 billion. In Maryland, all arrearages total nearly \$1.4 billion.

During fiscal 2003, CSEA reports that \$437.5 million was collected for child support, a 4.3% increase over fiscal 2002. About 63% of the child support caseload pays on arrears

obligations. Since the driver's license suspension program began in 1996, CSEA has collected \$222 million from obligors. In fiscal 2003, CSEA collected \$18 million as a result of the driver's license suspension program. The MVA suspended 18,233 driver's licenses, pursuant to notification from CSEA.

State Revenues: Special fund revenues will be reduced to the extent that the bill reduces child support collections. Temporary cash assistance (TCA) recipients must assign their support rights to the State and federal government as partial reimbursement for TCA payments made on behalf of the children of the obligor; as a result, TCA child support collections are distributed 50% to the State and 50% to the federal government. Accordingly, the State and federal governments would share equally in any reduction in collection revenues. Any such reduction cannot be quantified at this time due to the unavailability of data, but could be significant.

Additional Information

Prior Introductions: None.

Cross File: HB 403 (Delegate Dumais) – Judiciary.

Information Source(s): Department of Human Resources, Maryland Department of Transportation, U.S. Department of Health and Human Services (Office of Child Support Enforcement), National Conference of State Legislatures, *The Daily Record*, Department of Legislative Services

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